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The Honorable Ken Horn, Chairman
Senate Economic Development Committee
Michigan State Senate
P.O. Box 30036
Lansing, MI 48909

Thank you for your leadership
on this matter!
Bob

Dear Chairman Horn:

Please accept this letter of support from the Lansing Economic Area Partnership (LEAP) for the Michigan Jobs Coalition, who strongly support Senate Bills 1153, 1154, and 1155, which create a Personal Income Tax (PIT) withholding abatement to promote the attraction and expansion of high-wage jobs in Michigan.

Michigan has made great progress in the last five-years to create a more competitive business environment. Reduced state debt, responsible, timely, and fiscally sound budgets, the replacement of the Michigan Business Tax with a simple Corporate Income Tax, and personal property tax reform, have given Michigan one of the best business tax climates in the country. The results speak for themselves – Michigan has created more than **440,000** private sector jobs, but other states, as well as places around the world are not standing still. *Michigan must and can do even better!*

The states with which we are competing view incentives as an essential tool for creating jobs and net new revenue – *not as a cost* – and they treat economic development as a non-partisan issue. This is especially true of competitors in the South, including Alabama, Georgia, South Carolina, Tennessee and Texas. All of these states, and many others, have business climates as good as Michigan's and/or have stronger economic development tools than we have. Michigan is one of only two states that has a corporate income tax and offers no tax credits. Competing states, such as Georgia, Indiana, Iowa, Kentucky, Ohio, South Carolina, Tennessee, and Texas offer up to seven times more incentives than Michigan.

Senate Bills 1153-55 will help Michigan level the playing field. The proposal comes close to matching similar programs in competitor states that use the personal income tax generated from new job creation as an incentive. However, this proposal will be in the form of a tax abatement rather than a refundable tax credit. It's simpler – instead of sending a tax check to the state and the state sending a check back, companies simply keep the taxes that would have otherwise been paid. It is performance based – an abatement can only be taken if the jobs are produced and maintained. It is predictable – the jobs would not have come if not for the incentive so it's not revenue the state was counting on for budgeting purposes. It's transparent – details of the program are publicly disclosed.

LEAP urges the committee's support of this important economic development tool that will help Michigan build on the progress and momentum of the last five-years. Thank you for your thoughtful consideration.

Warmest regards,


Robert L. Trezise, Jr.
President & CEO

RLT/trp
11/15/16